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# Biggest State Pension Fund Earned 11.42% On FY17 Investments | News of the Week

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# Ups and Downs

**Total value and rate of return  
on the investments for  
the New York State Common  
Retirement Fund, by fiscal year**

Year	Fund Value (in billions)	Rate of Return
1993	\$56.4	12.5%
1994	\$58.4	6.9%
1995	\$63.4	8.8%
1996	\$74.8	21.8%
1997	\$82.3	10.9%
1998	\$104.9	30.4%
1999	\$111.0	8.8%
2000	\$127.1	17.8%
2001	\$112.4	-8.7%
2002	\$111.1	2.8%
2003	\$95.5	10.2%

Ups and Downs. Total value and rate of return on the investments for

The New York State Common Retirement Fund earned an estimated 11.42 percent on its investments in the fiscal year that ended March 31, State Comptroller Thomas P. DiNapoli announced May 23.

Mr. DiNapoli, the sole trustee of the fund, said its value is now a record \$192 billion.

### **Dramatic Swings**

Investment returns since 1993 have swung from a high of 30.4 percent in 2008 to a low of minus 24.6 percent in 2009. That year was one of three in which the fund lost value. The fund's expected annual rate of return is 7 percent.

"Strong returns over the fiscal year, particularly in the fourth quarter, were driven by rising public-equity markets," Mr. DiNapoli said in a statement. "New York State's pension fund is at a record value based on prudent long-term-asset allocation. We continue to manage one of the best-funded, best-performing pension plans in the nation."

Pew Charitable Trusts, a respected nonprofit, reported that in 2015 the pension fund had a funded ratio of 98 percent. The funded ratio is the assets divided by the current value of projected retirement spending, and many investment advisers recommend a ratio of 100 or better.



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Mr. DiNapoli's office said that investment returns in recent years have allowed the fund to reduce required contributions by state and local governments in the last three fiscal years and keep them stable in the current fiscal year.

### **What It Omitted**

It did not point out that rates had risen for four years ending in 2013-14 because of investment losses, which are spread over a five-year period. The contribution rates peaked that year at 20.9 percent of payroll for civilian employees and 28.9 percent for police officers and firefighters.

The increases further strapped municipalities and school districts already contending with loss of tax revenue.



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